

WASHINGTON – At a House Ways and Means Committee Hearing today, Congressman John B. Larson (CT) asked the Chief Financial Officers of four major U.S. companies what the ramifications of Congress not acting on the need to raise the debt limit in a timely manner would be for their businesses.

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The response was unanimous. All four CFO - Greg Hayes of United Technologies Corporation, Edward Rapp of Caterpillar, James Crines of Zimmer Holdings, and Mark Buthman of Kimberly-Clark – agreed. It **“would be devastating to the world economy.”**

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TRANSCRIPT:

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Chairman Larson: Following up on the line of questioning that a couple of my colleagues had, and Mr. Thompson specifically, and knowing that the United States is currently – and this

Congress is currently – dealing with raising the debt limit. What's your feeling on that? Do you think there should be a clean raise? What are the ramifications of not acting on this in a timely basis for your companies?

Greg Hayes, CFO of United Technologies Corp.: You know, Congressman Larson, I think it would be devastating to the world economy, not just to the U.S. economy and not just to UTC, if Congress failed to raise the debt limit. The full faith and credit of the U.S. government is the basis upon which the entire world financial system revolves around. If we think that the problems back in 2008, with the Lehman crisis, were devastating, a default by the U.S. government would have repercussions beyond anything we saw in 2008 and 2009. So we would encourage Congress to raise the debt ceiling.

Chairman Larson: This isn't a process then from the perspective of business of dealing with a credit card. This is a matter of default. That's how critical this is.

Greg Hayes: That's correct.

Edward Rapp, CFO of Caterpillar Inc.: You know, for us, we're seeing improvements in our business around the world, but it's still a pretty fragile economy. The last thing we need now is another, if you would, shot across the bow that creates disruption in terms of the global financial markets. So we're counting on the fact that Congress is going to come together and figure out, you know, the right thing to do here.

James Crines, CFO of Zimmer Holdings Inc.: I don't think I could say it any better than Mr. Hayes, Congressman, and I agree with his remarks.

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Mark Buthman, CFO of Kimberly-Clark Corp.: Confidence in the quality of our U.S. government debt, and the U.S. dollar, are critical to running our business, and, and, really, our worldwide issues.

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